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HUGO SLUIMER

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

E-FILING

HUGO SLUIMER,

Plaintiff,

V.

VERITY, INC., a corporation, and THE
VERITY INC. CHANGE IN CONTROL AND
SEVERANCE BENEFIT PLAN,

Defendants.

CASE NO. C 081220 SI

AMENDED DECLARATION OF HUGO SLUIMER

I, Hugo Sluimer, hereby declare as follows:

1. I am the plaintiff in the captioned action. I have personal knowledge of the facts set forth herein and can testify competently thereto if requested to do so.

2. On and before December 29, 2005, I was employed as Verity's Senior Vice President for EMEA and APAC Operations, I had responsibility for over 100 reports, including

1 10 country managers. I was responsible for overseeing operations generating approximately
2 \$50,000,000 in revenue (roughly half of VERITY's total worldwide revenue). I reported directly
3 to VERITY's President/CEO. I had responsibility for all aspects of VERITY operations outside
4 of the Americas, including responsibility for sales, marketing, finance, administration, technical
5 operations, and oversight of consultants.

6 3. Attached hereto as Exhibit A is true and correct copy of the VERITY INC.
7 CHANGE IN CONTROL AND SEVERANCE BENEFIT PLAN (the "Plan") and my
8 Participation Notice that I received on or after April 6, 2005. I have reviewed Mr. Kanter's
9 Declaration in support of the defendants' motion to dismiss. Plan Pages numbered 18-23, which
10 included Exhibit B RELEASE AGREEMENT, Exhibit C RELEASE AGREEMENT and Exhibit
11 D RELEASE AGREEMENT, attached to the Kanter Declaration were not provided to me when
12 the Plan was issued or during my claim.

13 4. Attached hereto as Exhibit B are true and correct copies of all of the
14 correspondence and emails between me and the defendants regarding my employment and
15 benefits from December 29, 2005 through March 22, 2007 that I possess.

16 5. Attached hereto as Exhibit C are true and correct copies of my Stock Option
17 Agreement, Notices of Grant of Stock Options and Closing Statement.

18 6. Attached hereto as Exhibit D are true and correct copies of premiums that I paid
19 for my continued medical benefits for the 18 months after my employment with Verity was
20 terminated in June 2006. The total cost for the 18 months of continued medical benefits was
21 €3,873.30.

22 7. In January 2006, Andrew Kanter instructed me to cease performing work at
23 Verity. During this period, I continued to receive a pay check. However, I was paid significantly
24 less than the monthly pay that I received over the past three years. From 2003-2005, my average
25 monthly pay was € 45,076 . Had I received my average monthly pay during these three months
26 in 2006, I would have received additional pay of € 8,842 for the month of January 2006, € 18,043
27 for the month of February 2006 and €15,900 for the month of March 2006. In 2006, I was
28 informed that my monthly pay was based on commissions which were based upon the then

1 current sales of a product that I was no longer in charge of selling and that the product was being
2 discontinued by Autonomy. I suffered a lapse in pay after the change in control.

3 8. The "alternative" job offered to me by Mr. Kanter with Neurodynamics involved a
4 substantial reduction in my duties and responsibilities from my prior job as Verity's Senior Vice
5 President for EMEA and APAC Operations. Neurodynamics' revenue was reported to be about
6 \$5,000,000 and had 15 employees, only two of which who would have reported to me, whereas
7 before the acquisition I was responsible for revenue of approximately \$50,000,000 and managed
8 a team of over 100 employees. Additionally, the offered position with Neurodynamics only
9 involved sales, whereas my prior position included responsibility for sales, marketing, finance,
10 administration, technical operations, and oversight of consultants. Neurodynamics had a General
11 Manager in place that I was to report to, whereas at my old job the General Managers reported to
12 me and I reported directly to the CEO.

13 9. On approximately March 23, 2006, I received a written offer of an
14 alternative job. I did not have a clear understanding of that job's duties and responsibilities and
15 scope. During late March and for most of April 2006, I had communications with Mr. Kanter and
16 with David Humphries, in which I attempted to get clarification about what exactly this new job
17 would involve. On April 18, 2006, I had a face to face meeting with Mr. Humphries in another
18 attempt to get clarification of what this new job would involve. On April 24, 2006, Mr. Kanter
19 finally sent me a written job description. By the last half of April 2006, based on my
20 communications with Mr. Kanter and Mr. Humphries, it seemed clear to me that Autonomy was
21 not going to be offering me a job which was comparable to my old job with Verity.

22 10. I was always willing to be subject to a Confidentiality Agreement and Non
23 Compete Agreement and repeatedly confirmed so in writing by way of emails and the documents
24 that I filed in the Dutch Court. No one, including but not limited to Mr. Kanter, ever provided
25 me with a Confidentiality Agreement and/or Non Compete Agreement, other than the
26 "Proprietary Rights" Agreement that I executed when I joined Verity, Inc. No one, including but
27 not limited to Mr. Kanter, ever informed me that my claim would be denied if I did not execute a
28 Confidentiality Agreement and/or Non Compete Agreement, nor did I ever refuse to execute such

1 an agreement. I assumed that all necessary documents would be forwarded to me by the Plan
2 Administrator and that I would execute those documents upon confirmation of the award of Plan
3 benefits. That is why on May 1, 2006, I wrote to the Plan Administrator and stated that I believed
4 I was entitled to Plan Benefits and wrote "[i]f you need more information, please do not hesitate
5 to call me." No one, including but not limited to Mr. Kanter, ever stated or suggested to me that
6 I would be paid the Plan benefits if I did execute a Confidentiality Agreement and/or Non
7 Compete Agreement.

8 11. I was always willing to execute a waiver and release generally releasing the
9 Company from any and all claims and liabilities. I repeatedly confirmed so in writing by way of
10 emails and the documents that I filed in the Dutch Court. No one, including but not limited to
11 Mr. Kanter, ever provided me with Exhibit B RELEASE AGREEMENT, Exhibit C RELEASE
12 AGREEMENT and/or Exhibit D RELEASE AGREEMENT. No one, including but not limited
13 to Mr. Kanter, ever informed me that my claim would be denied if I did not execute a Release,
14 nor did I ever refuse to execute a Release. I assumed that all necessary documents would be
15 forwarded to me by the Plan Administrator and that I would execute those documents upon
16 confirmation of the award of Plan benefits. That is why on May 1, 2006, I wrote to the Plan
17 Administrator and stated that I believed he was entitled to Plan Benefits and wrote "[i]f you need
18 more information, please do not hesitate to call me." No one, including but not limited to Mr.
19 Kanter, ever stated or suggested to me that I would be paid the Plan benefits if I did execute a
20 Release.

21 I declare under penalty of perjury under the laws of the United States that the foregoing is
22 true and correct.

23 Executed this ¹²th day of June 2008, at Monaco.

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Hugo Sluimer